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### BASIC CONDITIONS

1. The area and its resources being the common heritage of mankind, the title to the Area and its resources and all other rights in the resources are vested in the Authority on behalf of mankind as a whole. These resources are not subject to alienation.
2. Title to the minerals and all other products derived from the resources shall not pass from the Authority except in accordance with the rules and regulations laid down by the Authority and the terms and conditions of the relevant contracts, joint ventures or any other such form of association entered into by it.
3. The Authority shall from time to time determine the part or parts of the Area in which activities relating to exploration and exploitation may be conducted.
4. All contracts, joint ventures or any other such form of association entered into by the Authority relating to the exploration of the Area and the exploitation of its resources and other related activities shall ensure the direct and effective control of the Authority at all times, through appropriate institutional arrangements.
5. The Authority may, if it considers it appropriate, enter into contracts relating to one or more stages of operations with any person, natural or juridical. These stages of operations may include the following: scientific research, general survey, exploration, evaluation, feasibility study and construction of facilities, exploitation, processing, transportation and marketing.
6. (a) The Authority shall establish appropriate procedures and prescribe qualifications on the basis of which persons natural or juridical may apply to the Authority for entering into contracts relating to one or more stages of operations.  
(b) The selection from among applicants shall be made by the Authority on a competitive basis, taking into special account the need for the widest possible direct participation of developing countries, particularly the land-locked among them. The decision of the Authority in that regard shall be final and definitive.

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7. Subject to the provisions of paragraph 6, a contractor who has fulfilled his contract regarding one or more stages of operations, as the case may be, to the satisfaction of the Authority shall have priority in the award of a contract for a further stage or stages of operations.

8. The rights and obligations arising out of a contract with the Authority shall not be transferred except with the consent of the Authority and in accordance with the rules and regulations laid down by it.

9. The Authority may, if it considers it appropriate, enter into a joint venture or any other such form of association with any person, natural or juridical, to undertake one or more stages of operations, provided, however, that the Authority shall have financial control through majority share and administrative control in such joint venture or other form of association.

10. The Authority shall ensure security of tenure to a contractor within the terms of the contract provided he does not violate the provisions of the Convention and the rules and regulations laid down by the Authority.

11. In case of a radical change in circumstances or "force majeure", the Authority may take appropriate measures, including revision, suspension or termination of the contract.

12. Any person, natural or juridical, entering into a contract, joint venture or any other such form of association with the Authority may be required to provide the funds, materials, equipment, skill and know-how necessary for the conduct of operations at any stage or stages, and to deposit a guarantee.

13. Any responsibility, liability or risk arising out of the conduct of operations shall lie only with the person, natural or juridical, entering into a contract with the Authority.

14. The share of the Authority in a contract, joint venture or any other such form of association may be, inter alia, in the form of the production or the proceeds from the resources.

15. (a) The Authority shall ensure that any person, natural or juridical, who enters into a contract, joint venture or any other such form of association with it undertakes to transfer to the Authority, on a continuous basis, technology, know-how and data relevant to the stage or stages of operations involved, during the life of such a contract, joint venture or any other such form of association.

(b) The Authority and any person, natural or juridical, who is a party to a contract, joint venture or any other such form of association, shall draw up a programme for the training of the personnel of the Authority.

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(c) The Authority shall further ensure that any person, natural or juridical, who enters into a contract, joint venture or any other such form of association with it, undertakes to provide at all levels training for personnel from developing countries, particularly the land-locked among them, and employment, to the maximum extent possible, to qualified personnel from such countries.

16. The Authority shall have the right to take at any time the necessary measures in order to apply the provisions contained in this Convention, particularly those relating to regulation of production.

17. The applicable law shall be solely the provisions of this Convention, the rules and regulations laid down by the Authority, and the terms and conditions of the relevant contracts, joint ventures and any other such form of association entered into by the Authority.

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